

REVENUE:

FISCAL:

SUBSEQUENT REFERRAL TO: Joint Committee on Ways and Means

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Jan Nordlund, Administrator

Meeting Dates: 2/5

WHAT THE MEASURE DOES: Maintains current dispute resolution process at Construction Contractors Board that would otherwise be replaced in 2017 with process used prior to 2011.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure. Extends to July 1, 2018 the sunset on dispute resolution process set to expire July 1, 2017.

BACKGROUND:

Ever since the Construction Contractors Board was established in 1971, it has operated a dispute resolution services program. Agency staff facilitates resolution of disputes between licensed residential contractors and customers. Prior to 2011, the dispute resolution process involved hearings through the Office of Administrative Hearings (OAH). In an attempt to address the agency's budget shortfall, legislation enacted in 2011 (Senate Bill 939) simplified the dispute resolution process, requiring customers filing complaints against residential contractors to obtain a court judgment if mediation failed instead of holding an administrative hearing. After receiving a court judgment, the customer submits the judgment to the Board and the contractor or contractor's surety is responsible to make payment.

The change in the dispute resolution process was written in 2011 to be temporary to allow time for the Board's budget to stabilize; in 2017 the dispute process would revert to include the hearings before an administrative law judge. Though the Board's revenue has stabilized, it reports that it lacks the revenue to return to the old process. In addition, the Board believes the new process has proven to be more effective and there is greater incentive for the parties to reach a settlement.